

FINANCIAL NEWS

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Zaouis emerge from the shadows

by Nick Kostov

At first sight, there was nothing remarkable about the advisory roster on Nestle's sale of a major stake in L'Oreal.

The €6.5 billion deal, announced yesterday, featured Rothschild on Nestle's side of the table, and Lazard and BNP Paribas with L'Oreal on the other.

All of the banks have worked on multi-million – and in one case multi-billion – dollar deals involving these companies over the past 18 months.

So, no real surprises to see them crop up again on this week's deal.

But remember Michael (above left) and Yoël Zaoui, the former Morgan Stanley and Goldman Sachs rainmakers who launched Mayfair advisory boutique Zaoui & Co in 2013.

Of course you do.

Little has been heard of Michael and Yoël since they left Morgan Stanley and Goldman, respectively, but their involvement in the Nestle/L'Oreal was revealed in very long profile on the French brothers in Vanity Fair yesterday.

According to Vanity Fair, they advised the Bettencourt Meyers family, who founded L'Oreal and have been equal partners with Nestle in the company.

The French brothers have remained tight-lipped about their boutique, saying only that they are advising several French and



international companies and some prominent families.

The secrecy is hardly surprising. Bankers are not known for sprawling profiles in glossy magazines.

Vanity Fair tells us that Michael initially wanted to become a conductor for orchestras while Yoël, the younger brother, thought about becoming a surgeon but didn't fancy waiting 10 years to get to the top (any doctors reading this thinking about a switch should know it probably takes a little longer than 10 years at Goldman).

When they switched their attentions to banking, the brothers promised each other never to be on opposite sides of a corporate battle – a promise they frequently broke.

Chief executives threatened by

a company advised by one of the Zaouis often had an easy play: hire the other one.

According to Vanity Fair, when steel magnate Lakshmi Mittal launched his takeover bid for Arcelor in the mid-2000s, he had Yoël on his advisory team. Michael, however, was pitching for a role with the target. He did so by approaching the Arcelor chief executive with six sheets of A4 paper detailing the value of companies he had helped defend in the past and telling him "you're going to need me". He got the job.

Now that the brothers are working together, corporate executives coming up against the pair in M&A deals may want to take a look a closer look at cloning technology.